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Conoco and Tesco Unveil Revolutionary Drilling Rig

Source: Conoco/Tesco

Conoco and Tesco Corporation have jointly announced plans to construct three revolutionary drilling rigs using Tesco's proprietary Casing Drilling(TM) technology. The drilling rigs will operate under an exclusive contract to Conoco for a two-year period.

Pilot testing shows Casing Drilling(TM) technology drastically reduces drilling costs and speeds well completion by using the conventional casing instead of drill pipe to drill the well. Casing Drilling(TM) is safer, and eliminates the time-consuming "trips" necessary to change drill bits and set casing.

Tesco will operate the three rigs for Conoco to conduct a two-year development-drilling program in Conoco's South Texas Lobo natural gas trend. The first rig is expected to be operational no later than Sept. 1, 2002. The other two rigs will be ready to begin work in the Lobo trend by Dec. 31, 2002.

"Typically, wells drilled with Casing Drilling(TM) can be drilled up to 30 percent faster than conventional wells and represents a major advance in oil and gas drilling technology," said Tesco Corporation President and CEO Bob Tessari.

"Tesco's Casing Drilling(TM) technology will be extremely valuable in our continued development of the natural gas reserves in the Lobo Trend," said Conoco President of Exploration, Production Americas Gary A. Merriman. "At the end of the day, this technology will enable Conoco to complete development wells faster and safer, and with a lot less capital investment. All of these elements add to the economic value of the Lobo properties."

The three Casing Drilling(TM) land rigs with proprietary Tesco technologies will be manufactured at the company's facilities in Calgary, Canada.

"Casing Drilling(TM) is a unique technology that brings substantial benefits to both onshore and offshore oil and natural gas drilling operations," said Mark Fischer, executive vice president of Tesco. "After investing more than US \$16 million and five years of research and development, Tesco is pleased to join forces with Conoco in the first commercial application of this innovative technology."